

Frequently Asked Questions Sheet for CHIP Program

Released September 9, 2011

1. What businesses are eligible to apply for the CHIP program?

- Industrial businesses as defined by NAISC 22, 31-33 and 48-49. Please view page 4 of the program guidelines for additional information for these types of classifications.
- Commercial businesses that meet the requirements on page 4 of the CHIP Program Guidelines and ARE NOT:
 - A. Hospitals or healthcare facilities
 - B. Religious facilities or buildings
 - C. School buildings (K-12, school corporations nor higher education)
 - D. Government buildings
- Keep in mind that the focus of this grant is for large-scale energy projects.

2. If my company does not own the building, but leases or rents space, can we still apply under CHIP?

- We suggest one of two options in this case:
 - The company that owns the building should be the main applicant. This is the easiest option and will eliminate any potential confusion.
 - The company that leases or rents the space can apply but must include a letter of support from the company that owns the building, indicating their support for the application and willingness to allow you to make the changes to the building, if awarded.

3. If a company's headquarters not located in Indiana, but the company owns a facility in Indiana that meets the CHIP program requirements on page 4, is the company eligible to apply for the CHIP program?

- Yes, as long as the facility for which the company would be applying for funding is located in Indiana, and they own it and pay the utility bills, the company would be eligible to apply. This funding can *only* be used on a facility (or facilities) in Indiana.

4. How many projects applied last year for CHIP funding and how many projects were awarded?

- 37 proposals were submitted last year and 11 projects were funded.

5. Are the deadlines able to be extended for either the application or the program itself?

- **No extensions will be granted.** All applications must be submitted by September 23, 2011 and all awarded projects must be completed (work finished and funds drawn down) by January 31, 2012. Under no circumstances will these dates be changed.

6. Does a single project in a facility need to be at least \$100,000 to apply for funding?

- No; multiple projects may be combined into one application for a business so long as each project is listed on page 4 of the program guidelines and is for the same business that is applying.

7. Does a single building for a commercial business need to be 30,000 square feet? Or, can multiple buildings have a combined area of 30,000 square feet?

- A single company that has multiple facilities throughout Indiana with a combined space of 30,000 square feet can still apply.
- All buildings used in the square footage count under this application must have some sort of upgrade performed.
- For example, if ten buildings a company owns would have a combined area of 30,000 square feet, each of those ten buildings must have work performed with CHIP funding.
- If your company owns additional buildings that are not a part of this application, those buildings cannot be included in the square footage value provided in the application.

8. If a business has multiple projects for which they would like to apply for CHIP funding, must a new application be submitted for each project?

- No; only one application can be submitted per business. This can include as many projects under one application as an applicant wants, and include as many facilities in Indiana owned by that same business as desired.
- An applicant will not be penalized for including multiple projects or multiple facilities in their application.

9. For example, a building that a business currently owns does not have an air-conditioning unit installed. Is this business eligible to apply for CHIP funding for the air conditioning unit if all of the other requirements are met?

- No; CHIP funding is to be used for upgrades and retrofits to equipment, units and structures that are already located in the building.
- If you wish to install equipment where it did not previously exist (i.e. the new air conditioner when you did not have one previously), this can be counted toward your leveraged funds.

10. Are solar panels or other renewable technologies eligible for CHIP funding?

- No, renewable technologies are not included as eligible projects for CHIP funding.

11. Can energy efficiency incentives or refunds offered by a local utility be utilized in conjunction with the CHIP program funding?

- Incentives or refunds offered by a local utility may be utilized but **should not** be included in a project proposal as leveraged funds. Contact your local utility for more information.

12. How will applications be scored? What are you looking for in a “stand-out” application?

- We want to be sold on a great project that will have significant energy savings and a quick payback period.
- Some frequently made comments for applicants awarded in the previous round of CHIP include:
 - Proposed unique technology
 - Good energy conservation strategy
 - Low installation costs
 - Quick payback

- Showed history of grant experience or work on other energy projects
- Liked the increased cost share or leveraged funds
- Great project description with solid data and a plan to track energy savings from this project
- Overall thorough application
- Some frequently made comments for applicants awarded in the previous round of CHIP include:
 - Application lacked detail
 - Questionable timelines for ordering equipment (i.e., it appeared that equipment had already been ordered or would be slow to be ordered)
 - Numbers throughout application were inconsistent
 - Company was unsure of the type of technology to use
 - Poor payback
 - Incomplete or missing attachments

13. Is there a specific format for the Energy Conservation Strategy?

- No, there is not a specific form or format that is required for the Energy Conservation Strategy.

14. How long does the SHPO and Sec. 106 process take?

- All questions about the Sec. 106 process should be directed to SHPO; OED is not involved in that process. We cannot fund a project that does not have Sec. 106 approval.

15. Does a specific type of Professional Engineer (PE) need to approve the calculations for our application?

- No, a specific type or classification of PE is not required to sign for accuracy of the calculations.

16. What types of projects were funded in the previous round of CHIP?

- The 11 projects consisted of replacing engine dynamometers with new regenerative motor/generator dynamometers and controls, blower upgrades, motor replacements, Variable Frequency Drives (VFDs), lighting retrofits and upgrades, hot water tank upgrades, control upgrades, waste heat recovery, power factor correction, and HVAC and chiller replacements and upgrades.

17. How do you calculate job creation and job retention?

- The calculation for jobs created and retained is in the online application under the Economic Worksheet section. You must take:
 - TOTAL project cost
 - Projected annual energy costs savings
 - Projected simple payback period by dividing point **A** by point **B**

$$\frac{\text{TOTAL project cost}}{\text{Projected annual energy costs savings}}$$

- Jobs created and retained by taking point **A** and dividing by 92000

$$\frac{\text{TOTAL project cost}}{92000}$$

18. If a project proposal is for a total of \$140,000 and the application states that \$100,000 is being requested through the CHIP program and \$40,000 is being leveraged by the applicant, must the entire project that costs \$140,000 be completed by January 31, 2012?

- The ENTIRE project would need to be completed by January 31, 2012. Both the leveraged funding costs and the CHIP award would need to be spent on the project and completed by January 31, 2012.
- Leveraged funds should be directly related to this project.

19. Are leveraged funds still subject to Davis-Bacon?

- Yes, leveraged funds used with a project that receives CHIP funding are subject to Davis-Bacon.